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INDUSTRIES AND BUSINESS HOUSES IN CANTON
RESUME OPERATIONS, MAKE CHANGES

INDUSTRY REVIVES IN CANTON -- Shanghai Wen-hui Pao, 14 Apr 50

In only 5 months since liberation, Canton industry, with the help of the People's government, has revived and is pushing ahead.

The Kwangtung Industrial Company, since being taken over as a state-owned enterprise, has overcome many obstacles and is now operating at nearly full scale. Data concerning some of its subsidiary concerns are as follows.

1. Canton Spinning Mill

When taken over, it had only 30,000 cattles of cotton on hand, but now the supply of cotton is assured. Beginning with February, a night shift was added to the day shift, making a total of 20 working hours per day instead of the 22 before liberation. The production rate has been increased by about 9 percent as compared with pre-liberation production. The mill expects to realize its 1950 production goal of 4 million pounds of yarn.

2. Shun-te Sugar Mill

The plant equipment has been entirely overhauled. Production was resumed on 18 December 1949. In the 54 days since then, the mill has crushed 51,912 metric tons of cane and produced 49,220 quintals of coarse granulated sugar. Before liberation it produced 9.2 cattie of sugar per ton of cane crushed. Since liberation its record is 10.06 cattie of sugar per ton of cane crushed. The workmen take better care of the equipment and reduce fuel costs by burning the bast.

3. Tung-kuan Sugar Mill

This mill resumed operation 25 December 1949, and from then until 2 March 1950, it has crushed 76,941 metric tons of cane, and produced 64,432 quintals of coarse granulated sugar. Its record is 9.971 cattles of sugar per ton of cane crushed.

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4. Hsi-ts'un Cement Works

Since being taken over, two 200-ton furnaces have been reconditioned for operation. Because of the small demand, only one furnace is being operated and its output is 200 tons per day. This plant will play an important part in the reconstruction of Kwangtung.

5. Other Industries

Canton Machine Shop, Chinese Agricultural Machinery Company, and the Mei-lu Hemp Weaving Mill are all at work again.

The Canton Paper Mill and others are still in the planning stage, but will soon be in operation.

The workers in all these public-owned industries have a share in the management and have a sense of proprietorship which did not exist before. As a result, the quantity and quality of production are enhanced, efficiency is increased, and waste is reduced.

Private industries are, for the most part, small-scale, small-capital, hand-work enterprises which suffered long under the old regime and hence have been slower in coming back. According to the first post-liberation investigation, there were then 1,048 private concerns (counting only those who were members of the trade unions). Of these, 22 percent had resumed full operation, 34 percent had resumed partial operation, and 44 percent had failed to resume operation. The prospects are good, however, because land and water transportation and public order are being restored and financial conditions are steadily improving. According to still incomplete data, at the end of February 1950, there were 2,719 private concerns, including those which had not joined the trade unions and those having fewer than 30 workers. Of these, 60 percent had resumed operation, 30 percent had resumed partial operation, and 10 percent had failed to resume operation.

The 2,719 private industrial concerns are classified as follows: 865 builders; 476 machine shops; 241 rubber works; 235 weaving shops; 129 knitting factories; 107 soap works; 91 sawmills; 69 power-driven weaving factories; 64 leather tanneries; 39 vegetable-oil extraction plants; 35 dry-battery factories; 27 chalk factories; 26 cigarette factories; 25 nail factories; 24 cosmetic factories; 26 kerosene processors; 22 lithographers; 16 match factories; 15 paint, varnish, and pigment makers; 14 printing shops; 14 chemical and industrial materials manufacturers; 10 soda-water works; 10 ice factories; 10 canneries; 7 producers of manganese, lead, and carbon elements; 6 electric accessories; 5 machine-equipped bakeries; 3 earthenware kilns; and 1 miller. On an average, production in these concerns is about 50 percent of their former capacity.

In view of the difficulties faced by private industry, the People's government is giving considerable aid in helping it to restore and develop production. For example:

1. The government is strictly prohibiting smuggling, operating an efficient customs service, and executing a correct foreign trade policy to protect native industry. Recently, the prohibition of importation of foreign matches was of great benefit to the domestic match factories. Similarly, the nail factories have been protected by raising the duty on foreign nails.

2. The Canton branch of the People's Bank has adopted the policy of making loans in kind to parties engaged in industry, for short terms of from 20 days to 3 months, with interest at 1.2 percent per month. Within 10 days, loans equivalent to over 100,000 parity units were made. Among the score or more beneficiaries were the Fei-lun Thread Company and the New China Rubber Goods Company.

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3. The Canton City Department Store, by wisely placed advance orders, has helped the Fo-shan Silk Fabric Company to increase production from 15 to 60 percent of their former capacity.

At the time of liberation, 25 percent of the private industrial concerns stopped work. Now only 10 percent are not in operation. There are some industrialists who blame their difficulties on heavy taxation; but this is a superficial and erroneous way of looking at things, because the situation now is very different from what it was under the KMT regime. Article 40 of the Common Program justifies the tax program as a reasonable burden based on the principle of the necessity to supply the needs of the revolutionary struggle, to restore and develop industry, and to reconstruct the country. This makes it clear that the tax revenues must correspond to the needs of the people. Looking beyond the surface of things, it will be seen that under the KMT regime the purchasing power of the people had so diminished that there was only a small outlet for manufactured goods, and all legitimate industries suffered more or less from those temporary difficulties. But before long, with the completion of the land-reform program, the purchasing power of the rural areas is certain to rise, and under those conditions the market for manufactured products will be immense.

CANTON BUSINESS HOUSES MAKE CHANGES -- Hong Kong Wen-hui Pao, 30 Apr 50

Canton -- The Canton Bureau of Industry and Commerce has conducted a registration of business firms which reveals that between 19 December 1949 and 14 March 1950, some 1,500 firms petitioned to open, close, or change the nature of their business.

According to incomplete data, 300 houses were authorized by the bureau to open business, and 90 were authorized to change their business. These 390 firms included the following:

Export	68
Provisions	52
Domestic and foreign sundries	28
Cotton and silk fabrics	23

In addition, 310 firms discontinued operations, including the following:

Jewelry	82
Rice and peanut oil	27
Domestic and foreign clothing	24
Food	23
Cotton and silk fabrics	21
Tobacco and spirits	11

Twenty firms are temporarily closing; 11 of these include food, customs brokerage, and hotels.

Many of the firms which closed following the liberation were dealing in unessential or luxury items.

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